



SUPREME COURT OF THE STATE OF NEW YORK  
COUNTY OF NEW YORK

ORIGINAL

COMPAGNIE DE BEAX ARTS, LTD.,

*Plaintiff,*

Index No.

- against -

SUMMONS

SALANDER-O'REILLY GALLERIES LLC,

*Defendant.*

06600338

TO: SALANDER-O'REILLY GALLERIES LLC  
22 East 71<sup>st</sup> Street  
New York, NY 10021


FILED  
FEB 02 2006  
NEW YORK  
COUNTY CLERK'S OFFICE

**YOU ARE HEREBY SUMMONED** to answer the complaint in this action and to serve a copy of your answer or, if the complaint is not served with this summons, to serve a notice of appearance, on plaintiff's attorney within 20 days after the service of this summons, exclusive of the day of service (or within 30 days after the service is complete if this summons is not personally delivered to you within the State of New York); and in case of your failure to appear or answer, judgment will be taken against you by default for the relief demanded in the complaint.

Venue is properly laid in this Court because defendant Salander-O'Reilly Galleries LLC has its principal offices in the County of New York.

Dated: New York, New York  
February 2, 2006

FRIEDMAN KAPLAN SEILER &  
ADELMAN LLP

  
John R. Cahill  
1633 Broadway  
New York, NY 10019-6708  
(212) 833-1100

*Attorney for Plaintiff*

FILE COPY

SUPREME COURT OF THE STATE OF NEW YORK  
COUNTY OF NEW YORK

COMPAGNIE DE BEAUX ARTS, LTD.,

*Plaintiff,*

- against -

SALANDER-O'REILLY GALLERIES LLC,

*Defendant.*

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NEW YORK  
COUNTY CLERK'S OFFICE

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Index No.

NOTICE OF MOTION  
FOR SUMMARY JUDGMENT  
IN LIEU OF COMPLAINT

PLEASE TAKE NOTICE that, upon the accompanying Affirmation of John R. Cahill and the exhibits annexed thereto, Plaintiff Compagnie De Beaux Arts, Ltd. will move this Court at the Courthouse, Submissions Part, Room 130, Supreme Court, New York County, 60 Centre Street, New York, New York 10007 on 28 February 2006 at 9:30 A.M., for an order, pursuant to CPLR 3213, granting summary judgment in favor of the Plaintiff on the grounds that Defendant is in default of its obligations under a Promissory Note dated 26 October 2005.

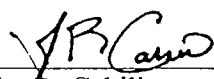
PLEASE TAKE FURTHER NOTICE that pursuant to CPLR 3213,

answering papers, if any, shall be served upon the undersigned so as to be received on or before 20 February 2006.

Dated: New York, New York  
February 2, 2006

Respectfully submitted,

FRIEDMAN KAPLAN SEILER &  
ADELMAN LLP

  
\_\_\_\_\_  
John R. Cahill  
1633 Broadway  
New York, NY 10019-6708  
(212) 833-1112

*Attorney for Plaintiff*

FILE COPY

SUPREME COURT OF THE STATE OF NEW YORK  
COUNTY OF NEW YORK

-----X  
COMPAGNIE DE BEAUX ARTS, LTD.,

*Plaintiff,*

- against -

SALANDER-O'REILLY GALLERIES LLC,

*Defendant.*  
-----X

FILED

FEB 02 2006

NEW YORK  
COUNTY CLERK'S OFFICE

Index No.

**AFFIRMATION OF  
JOHN R. CAHILL IN  
SUPPORT OF MOTION  
FOR SUMMARY JUDGMENT  
IN LIEU OF COMPLAINT**

**JOHN R. CAHILL**, an attorney admitted to practice the courts of the  
State of New York, affirms the following under penalty of perjury:

1. I am counsel to Friedman Kaplan Seiler & Adelman, LLP,  
attorneys for Plaintiff Compagnie de Beaux Arts, Ltd. ("CBA"). I submit this  
affirmation in support of CBA's motion for summary judgment in lieu of complaint.
2. To settle certain obligations due to CBA, Salander-O'Reilly  
Galleries LLC ("SOR") signed the original of the true and correct copy of the promissory  
note dated 26 October 2005 that is annexed hereto as **Exhibit A** (the "Note").
3. The Note requires SOR to make payments in specified amounts on  
specified dates. While under the terms of the Note, SOR was originally permitted an  
automatic grace period of three days and had three days after a written notice of default to  
make a payment, SOR, following an earlier default (which occurred when, in violation of  
the express terms of the Note, it sent a check that could not have, and did not in fact, clear  
by the due date of 30 November 2005), agreed to make installment payments so that

funds would be received on or before the due date. (A copy of an email from SOR's attorneys reflecting that Agreement is annexed hereto as **Exhibit B.**)

4. SOR did not make the full payment due on 31 January 2006. Instead, it wired only \$200,000 out of the total \$650,000 due on that date.

5. Although none was required, CBA gave SOR notice of the default on 31 January 2006 by email and by letter. (A copy of the letter from me to SOR and its attorney dated 31 January 2006 is annexed hereto as **Exhibit C.**)

6. Not only does SOR not deny that it is in default, it acknowledged in a letter to CBA on 1 February that it was "aware that we have an agreement which describes our deal and a payment due you of \$630,000 as of the end of business yesterday." SOR simply requested more time to make the payments due under the Note.

7. CBA knows of no defenses to this motion and no nonfrivolous claims that SOR has against it.

8. SOR is not entitled to additional time under the Note (the entire balance is due following a default) and, given the egregious conduct of SOR towards CBA and others (which need not be detailed here), CBA does not believe that yet another extension of time to pay debts that are long overdue is warranted. CBA is, relative to SOR, a small business and urgently seeks a judgment with the greatest possible expedition so that it may satisfy those to whom it has promised funds based on SOR's promises and obligations under the Note.

9. CPLR 3213 expressly provides for summary judgment in actions like this one, which involve a promissory note or "other instrument for the payment of

money only.” CBA respectfully requests that a judgment against SOR be granted pursuant to the Note awarding CBA:

- (a) The unpaid principal balance, which currently totals \$655,000;
- (b) Interest at the rate of twelve percent (12%) per annum from 7 December 2005 (the date of the initial default) until the entire principal is paid pursuant to the Note;
- (c) CBA’s actual costs and attorneys’ fees arising directly or indirectly out of SOR’s failure to fully, completely, and timely perform its obligations as required by the Note; and
- (d) Such other relief as the Court deems just and proper.

Dated: New York, New York  
2 February 2006

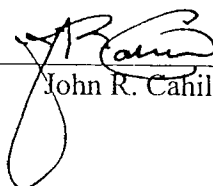
  
\_\_\_\_\_  
John R. Cahill



Exhibit A**PROMISSORY NOTE**

US\$1,130,000

26 October 2005  
New York, New York

For value received, and as provided in a Settlement Agreement between Compagnie de Beaux Arts Ltd. ("CBA") and Salander-O'Reilly Galleries, LLC ("SOR") dated 18 October 2005, the undersigned promissory, SOR, does hereby agree to pay to CBA, the principal sum of One Million One Hundred Thirty Thousand United States Dollars and no/100 (\$1,130,000.00) payable as follows:

Payment Date	Payment Amount
30 November 2005	US\$150,000
30 December 2005	US\$125,000
31 January 2006	US\$630,000
31 March 2006	US\$125,000
28 April 2006	US\$100,000

Provided that all such monthly payments are timely made, no interest shall accrue on any such payments or on the principal amount due and owing.

Should SOR fail to cause CBA to receive any scheduled payments within three (3) business days of its due date and upon expiration of three (3) business days after notice of such failure to receive payment has been provided by CBA or its attorney to SOR and its attorneys (i.e., Peter R. Stern, Esq. of McLaughlin & Stern LLP), shall be in default, and the entire remaining principal balance and all accrued interest shall become due at once, and interest shall commence on such remaining balance at the rate of twelve percent (12%) per annum (or such lesser rate as is permitted by law), until paid.

SOR shall pay CBA all of its actual costs and attorney fees arising directly or indirectly out of any failure by SOR to fully, completely, and timely perform its obligations contained in this Promissory Note.

Principal and interest evidenced hereby are payable only in lawful money of the United States. The receipt of a check shall not, in itself, constitute payment hereunder unless and until paid in good funds. Whenever any payment on this Note shall be stated to be due on a day which is not a business day, such payment shall be made on the next succeeding business day.

The principal of this Note may be prepaid in whole or in part, without penalty.

This Note is to be governed by and construed in accordance with the laws of the State of New York, without regard to its conflict of laws rules and principles.



SOR expressly waives any presentment, demand, protest, or other notice of any kind in connection with the collection of amounts due hereunder

Salander-O'Reilly Galleries, LLC

By: 

Larry Salander

Title: 

Message

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-----Original Message-----

**From:** Peter R. Stern [mailto:PSSTERN@mclaughlinstern.com]

**Sent:** Thursday, December 15, 2005 9:30 AM

**To:** Cahill, John

**Cc:** PAUL ROBBINS

**Subject:** Salander O'Reilly Galleries and Compagnie de Beaux Arts

Salander-O'Reilly Galleries has authorized me to confirm to you that the December 30, 2005 payment will be wired to Compagnie de Beaux Arts so that funds are received on or before January 6, 2006 and that all subsequent payments will be wired so that the funds are received on or before their due dates.

Peter R. Stern  
McLaughlin & Stern, LLP  
260 Madison Avenue  
New York, NY 10016

Tel: 212.448.1100 Ext 314  
212.803.1299 (Direct Line)

Fax: 212.803.1301 (Direct Fax)  
212.803.1302 (Longer faxes)

2/2/2006

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DWARD A. FRIEDMAN  
JARY D. FRIEDMAN  
BARRY A. ADELMAN  
ERIC SEILER  
ROBERT D. KAPLAN  
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RICHARD M. HOFFMAN  
SCOTT M. BERMAN  
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CHAD B. PIMENTEL  
JENNY F. KAUFMAN  
LEE D. VARTAN  
JOSHUA D. JACOBSON  
JONATHAN GOTTFELD

31 January 2006

**BY FAX, BY HAND, AND  
BY ELECTRONIC TRANSMISSION**

Peter R. Stern, Esq.  
McLaughlin & Stern LLP  
260 Madison Avenue  
New York, NY 10016

Mr. Lawrence Salander  
Salander-O'Reilly Galleries, LLC  
22 East 71<sup>st</sup> Street  
New York, NY 10021

Re: Promissory Note of Salander-O'Reilly Galleries LLC ("SOR")

Dear Mr. Stern and Mr. Salander:

Notice is hereby given pursuant to the Promissory Note made by SOR to Compagnie de Beaux Arts Ltd. ("CBA") (the "Note") that SOR has not caused a scheduled payment of US\$630,000 due under the Note today, as confirmed by an email sent by Mr. Stern on 15 December 2005 (attached), to be received by CBA.

SOR is now in default, and the entire remaining principal balance of US\$855,000 is due at once. Interest on the outstanding balance is being incurred at the rate of twelve percent (12%) per annum until paid.

Although we will wait until the close of business today (5:30 P.M.) to hear from Mr. Stern and from our client before taking further action, we expect to receive authorization from our client to take all necessary steps to enforce its rights, including filing an action when the Courthouse opens tomorrow morning. Please be advised that all of the actual costs (including attorneys' fees) arising directly or indirectly

FRIEDMAN KAPLAN SEILER & ADELMAN LLP

Peter R. Stern, Esq.

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31 January 2006

out of any failure by SOR to fully, completely, and timely perform its obligations are payable to CBA under the terms of the Note.

Very truly yours,



John R. Cahill

cc: Sr. Edoardo Testori (by electronic mail)